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New strata tax system

Owners to pay parcel rent to land and mines office from Jan 1

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A NEW tax system known as parcel rent for stratified properties in Kuala Lumpur will take effect from Jan 1 next year.

It will replace quit rent and unit owners will have to pay directly to the Federal Territories Land and Mines Office (PPTGWP).

Currently, unit owners pay quit rent annually to their respective management corporations (MC) and joint management bodies (JMB), which in turn pay PPTGWP under the master strata title.

This is on top of the maintenance fees collected by the JMB and MC.

Federal Territories Minister Khalid Abdul Samad said the new system was to account for the changing population demographics which tended towards stratified living.

“Quit rent was designed to cater to landed properties. However, the system is unsuitable for stratified buildings that have become the norm in cities,” he said, alluding to mixed-use developments that applied the same rates indiscriminately to different property types.

“Many owners also had problems selling or leasing their units following outstanding quit rent owed by their JMB and MC.

“With parcel rent, property owners will no longer be held back by their errant neighbours who fail to pay up,” said the minister.

Under the new tax, the rate will be determined based on the unit size, property type such as residential, commercial or industrial, and tenure — either leasehold or freehold.

“However, low-cost housing and Public Housing Project (PPR) owners will pay a flat rate of RM15 for leasehold and RM20 for freehold.

“For medium-end units measuring less than 1,030sq ft, the owners will pay a flat rate of RM20 for leasehold and RM25 for freehold,” said Khalid.

He stressed that quit rent arrears still needed to be paid after implementation of parcel rent.

“PPTGWP will liaise with the JMBs and MCs to identify errant ratepayers to compel them to pay up,” he said.

Based on PPTGWP’s records, 15% of JMBs



(From left) Khalid, Che Roslan and Syed Azmin at the launch of the parcel rent system at the PPTGWP in Kuala Lumpur.



StarMetro's report on Oct 29.

and MCs from a total of 3,214 defaulted in their annual quit rent payments.

There are currently 360,592 individual strata units in Kuala Lumpur.

Khalid was speaking at the launch of the new tax system at PPTGWP in Kuala Lumpur.

With him were PPTGWP director Datuk Che Roslan Che Daud and Puncak Semangat Group executive chairman Syed Azmin Mohd Nursin.

On concerns that parcel rent would mean unit owners needed to fork out more money, Khalid said this depended on the charges previously imposed by their respective JMBs and MCs.

“Some JMBs inflated the rate in anticipation of poor collection, to cover the errant

unit owners.

“However, individual unit owners are now responsible for their own payment instead of leaving it to their JMB or MC,” said Khalid.

In a report by *StarMetro* on Oct 29, Che Roslan said the increase was minimal.

“A lot of people tend to jump the gun when they see the percentage increase like 100% or 200% without realising that the actual amount could be just an increase of RM10,” he said.

Kuala Lumpur will join Selangor, Melaka and Penang that implemented a similar system.

For more details, the public can email cukaipetakwpl@ptgwp.gov.my or visit www.ptgwp.gov.my/portal